

# Human Rights Management Policy

## **Purpose**

LX Semicon is committed to implementing human rights management actively to ensure that the rights and values of all stakeholders, including employees, customers, and suppliers, who are directly impacted by or impact business activities, are equally respected. At the same time, we strive to prevent human rights violations and mitigate related risks. In particular, we recognize stakeholders who are more vulnerable to human rights-related risks, such as children, women, people with disabilities, and foreign workers, and make proactive efforts to protect their human rights. To implement human rights management, LX Semicon has developed a policy that adheres to various international standards and guidelines on human rights and labor, including the International Bill of Human Rights (consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights), the International Labor Organization's (ILO) Declaration on Fundamental Rights and Principles at Work, the 10 Principles of the United Nations Global Compact, the United Nations Convention on the Rights of the Child, the United Nations Guiding Principles on Business and Human Rights, and the OECD Due Diligence Guidance for Responsible Business Conduct.

## **Scope of Application**

This policy applies to LX Semicon's employees, customers, communities, and other stakeholders, including all business associates, suppliers, joint ventures, and members of LX Semicon. All LX Semicon employees are expected to comply with this policy, and all stakeholders with whom LX Semicon does business, including suppliers, are also expected to abide by this policy. LX Semicon complies with this policy and the labor laws of the local countries and regions in which it operates. In the event of a conflict between local laws and international standards, LX Semicon abides by local laws and regulations but will strive to follow the higher standard.

## **Fundamental Principles**

LX Semicon manages human rights risks across the entire organization in the following areas and fulfills its responsibility to respect human rights.

### **1. Ensuring Occupational Safety and Health**

We prioritize the safety and health of our employees and ensure strict compliance with relevant laws and internal policies. We have created a safe and clean work environment by establishing a system to prevent safety accidents, providing an optimal work environment, and conducting related training regularly.

### **2. Prohibition of Forced Labor**

We do not unreasonably restrain a worker's mental or physical freedom by means such as by assault, intimidation, or confinement, or force a worker to work against their free will. We do not require workers to surrender personal documents such as identification, passports or work permits, as a condition of employment.

### **3. Prohibition of Child Labor and Protection of Young Workers**

We comply with the minimum age of employment age stipulated by the laws and regulations of the countries and regions in which we operate, and we do not tolerate any form of child labor. For young workers under the age of 18 (including students, interns, trainees and apprentices), we ensure that they are not engaged in any hazardous or harmful work, including night shifts of overtime, under any circumstances. If a child worker is identified, we take measures to ensure that their right to education is not compromised due to work. Instead of immediate dismissal, we seek to identify whether the root cause of child labor is economic hardship such as poverty and consider alternative solutions such as providing employment opportunities to their family to prevent homelessness or hunger.

### **4. Freedom of Association and Collective Bargaining**

We guarantee all employees the right to form and join trade unions, freedom of peaceful assembly and association, and collective bargaining in accordance with the labor relations laws of each country or region. We do not subject employees to any adverse treatment or discrimination on the basis of their membership in a labor union. The labor and management communicate on an equal footing to maintain, and we strive to improve working conditions and provide sufficient communication opportunities for employees to express their views and concerns without fear of reprisal.

## **5. Compliance with Working Hours**

LX Semicon recognizes workers' rights to rest and leisure and complies with national laws and regulations regarding regular and overtime working hours and holidays, adhering to ILO conventions on working hours. All overtime work is voluntary, and overtime pay is provided in accordance with national or local labor relations laws and regulations. We ensure that workers have access to adequate rest and vacation and at least one day off every seven days.

## **6. No Discrimination**

LX Semicon does not tolerate discrimination in recruitment, hiring, promotion, training, wages and compensation, benefits, work progress, retirement, or termination on any grounds, including gender, age, race, ethnicity, nationality, religion, disability, family status, marriage, pregnancy, childbirth, social status, political opinion, or gender identity. In addition, we strive to respect and expand diversity and inclusion, providing fair opportunities for personal development based on employees' abilities and qualities, and evaluating and rewarding employees based on fair standards.

## **7. No Workplace Bullying**

LX Semicon strictly prohibits all forms of harassment in the workplace, including sexual harassment and sexual violence, mental and physical coercion, harassment, public shaming, and verbal abuse. We strive to prevent the occurrence of sexual harassment and sexual violence in the workplace, especially by providing education to prevent harassment and violence using the advantage of superior position or relationship. Furthermore, we operate a grievance handling channel where anyone can report incidents of an undesirable nature. We will conduct a neutral investigation and provide appropriate remedies to protect victims. All reporters are guaranteed anonymity, and any unfair treatment or retaliation against reporters is strictly prohibited.

## **8. Wages and Welfare Benefits**

Wages for employees are determined in accordance with the labor laws and regulations of each country or region, referencing the statutory minimum wages and local standards, to ensure that all employees receive sufficient wages to cover their basic living expenses. By setting wages above these minimum standards, we contribute to the stability of employees' livelihoods and the improvement of working conditions. Wages may not be unfairly deducted without reasonable cause. In addition, we provide welfare benefits such as social insurance and paid leave as stipulated by the labor laws and regulations of each country or region.

## **9. Responsible Sourcing of Minerals**

LX Semicon recognizes the negative social and environmental impacts of the mining industry, such as human rights abuses, exploitation of child labor, sexual violence, and environmental degradation, as serious problems. Therefore, we do not use minerals such as 3TG and cobalt that have been mined directly or indirectly in dangerous or conflict-affected areas including the Democratic Republic of the Congo and its neighboring countries. We also verify the origin of minerals in advance and disclose relevant information to customers upon request.

## **10. Responsible Supply Chain Management**

LX Semicon recognizes that many risks related to human rights occur at lower levels of the supply chain. To manage these risks, we have established a Supplier Code of Conduct and require our suppliers to comply with it in fulfilling their obligations to protect human rights. We communicate with suppliers and support them in introducing and practicing human rights management. We do not use our superior position to engage in unfair or corrupt transactions; instead, we strive for mutual growth through fair and transparent dealings.

## **11. Information Security**

All members of LX Semicon shall protect the company's proprietary information and introduce continuous improvements to various technical and physical measures to safeguard all confidential information, such as that of customers and business partners, collected in the course of business. In addition, members shall manage all personal information, including that of suppliers, job applicants, and online site visitors, acquired in the course of company business in compliance with relevant laws and regulations, both domestically and internationally. We shall not provide this information to third parties without legitimate authority or reason.

## **12. Protection of Local Residents' Human Rights**

All members of LX Semicon are committed to ensuring that the human rights of local residents are not violated in the course of business activities. We strive to protect their rights to safety, health, and freedom of residence.

### **13. Ensuring Environmental Rights**

LX Semicon recognizes the right to a clean and healthy environment as a fundamental human right. To uphold this, we establish and operate an environmental management system and do our utmost to engage in preventive activities that minimize the environmental impact of our business operations. We also promote environmental management practices aimed at achieving carbon neutrality and creating eco-friendly workplaces, while making efforts to conserve natural capital and biodiversity.

#### **Operational System**

##### **1. Human Rights Management Governance**

The dedicated Human Rights Management Department is responsible for establishing overall policies and directions related to human rights management as well as monitoring its implementation. This department also carries out human rights training, information disclosure, human rights due diligence, and remedy for victims. The highest decision-making authority on human rights-related matters lies with the Board of Directors. The dedicated department reports on the status of human rights management and any potential risks to the Board, which then reviews and manages these issues accordingly.

##### **2. Human Rights Risk Management**

LX Semicon operates a human rights impact assessment process that incorporates the requirements of external stakeholders and major global guidelines on human rights, and develops assessment indicators for the examination of human rights risks and due diligence. Through this process, we identify actual and potential impacts on human rights. For any identified negative impacts, we determine areas requiring improvement and take necessary measures to prevent or mitigate them.

##### **3. Grievance Handling Process**

LX Semicon operates various grievance handling channels to report cases of human rights violations. These channels are open not only to employees but also to internal and external stakeholders, such as workers in the supply chain and local communities. When cases of human rights violations are reported, we strive to promptly address the issues raised and provide remedy. We prohibit any form of retaliation, including adverse employment actions, against complainants, victims, and informants who seek counseling or investigations and cooperate with the investigations. LX Semicon is committed to respecting and not interfering with the right of any worker or stakeholder to participate in judicial and non-judicial remedial proceedings, and provides full cooperation when necessary.

LX Semicon CEO  
Yun-tae Lee

